

EXHIBIT 14

REX Corrects Record on National Association of Realtors Continued Anticompetitive Antics and Attempt to Evade DOJ Investigation.



Real Estate Trade Group Puts Cartel Economics Ahead of Accountability to Federal Officials and Consumers.

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AUSTIN, Texas, Sept. 15, 2021 /PRNewswire/ -- REX, the technology company resetting traditional real estate on behalf of consumers, issued the following response to the National Association of Realtors (NAR) efforts to quash a U.S. Department of Justice (DOJ) civil investigative demand into NAR's continued anticompetitive policies and antitrust violations.

"Today's filing by NAR underscores their business model – cartel economics, \$100 million in lobbying, tens of billions in excessive fees, and countless anti-consumer rules that restrict housing accessibility. The federal government is finally standing up to hold the real estate cartel accountable for overcharging home sellers and buyers thousands to tens of thousands of dollars on every transaction and steering consumers to line their own pockets," said REX's General Counsel Michael Toth

NAR's unwillingness to comply with DOJ's request for information comes amidst growing pressure against the trade association's unfair, autocratic practices throughout the real estate industry. REX has ongoing litigation with NAR over similar antitrust violations which have



harm the industry. Earlier this month, a federal judge denied NAR's effort to dismiss one such lawsuit. Three federal judges have now concluded that claims against NAR's anticompetitive behavior will be heard. NAR's filing on Monday seeks to avoid more accountability to federal officials. A copy of the DOJ civil investigative demand that NAR is refusing to answer can be viewed [here](#).

In February, REX asked the Biden Administration to reopen its investigation into NAR. In response, the Biden Administration later nixed the proposed settlement with NAR and renewed its probe into the NAR-sponsored, price-fixing policies that make real estate broker costs two to three times more expensive in the United States than around the world.

For the past five years, while REX has been fighting to reform the real estate industry. As a change agent for consumers, REX highlighted to federal antitrust authorities the damage that NAR's policies have caused to housing affordability and accessibility.

"In its legal filing against DOJ, NAR falsely claims it was working to implement the proposed settlement. In reality, it was standing in the way of homebuyers. In the immediate aftermath of the settlement, REX worked to replace the unlawful rules preventing consumers from seeing homes with new ones promoting consumer choice and forcing NAR to tell consumers the true price of their services, NAR's lawyers intervened to shut down the conversation. Homebuyers are still locked out of homes because of NAR and often do not know what they are paying. This is why the DOJ investigation must proceed," said REX co-founder and COO Lynley Sides.

After the DOJ proposed a settlement with NAR in November 2020, REX kept fighting for industry reforms that would benefit consumers nationwide who are forced to pay excessive brokerage fees at a time when direct-to-consumer technology has brought fees to zero across the service sector. In February, REX submitted to the DOJ a detailed [comment letter](#) on the proposed settlement. REX highlighted in the comment letter that the practices that DOJ had condemned inflicted a heavy financial burden on cash-strapped, aspiring homebuyers. REX urged federal authorities to take further action to protect consumers from NAR's anticompetitive behaviors which transfer \$60-80 billion per year from American consumers to traditional real estate brokers as home prices have been skyrocketing.

In addition to working closely with federal and state antitrust authorities, REX is standing up for homebuyers today by pursuing two major federal cases against practices that make it even more difficult to afford a home. Supported by consumer advocacy organizations, REX is challenging rules across the country that make it illegal for companies to give money back to homebuyers in the form of rebates. Additionally, REX is taking on Zillow for enforcing the NAR's segregation rule, which hides low-commission homes from consumers to protect the high-fee homes sold by legacy brokers. Both cases are pending in federal court.

After NAR and Zillow tried to dismiss the case, on September 2, 2021, U.S. District Court Judge Thomas Zilly gave consumers and REX and consumers a major victory in the antitrust and consumer protection lawsuit against NAR's segregation rule. The Court held REX sufficiently alleged that NAR and Zillow conspired to restrain trade and harm consumers.

About REX's advocacy for consumers:

In March, REX initiated a challenge to Zillow's recent web display change, which the platform made to comply with the NAR's segregation rule. Zillow's web display once aggregated all homes for sale on a single web display. This changed after Zillow announced it was becoming a real estate broker and joining NAR and other broker associations. Since locking arms with legacy brokers, Zillow redesigned its website and placed homes listed by innovators under a deceptively labeled "Other listings" tab, which actual consumers call the "hidden" tab.

Along with challenging NAR's segregation rule, REX is contesting state rebate bans, which prevents the company from reducing real estate fees by giving rebates to cash-strapped home buyers. In both cases, REX is standing up for homebuyers, who are facing a housing market characterized by soaring prices and record low inventories. If REX is successful in both cases, home shoppers will have more choice and face fewer protectionist restrictions that make real estate commissions in the United States two to three times higher than around the world.

REX has long been the only industry player fighting real estate broker cartel policies which cost consumers thousands to tens of thousands of dollars on every transaction. Recently, the federal government has shown increased interest in the National Association of Realtors' anti-competitive antics, which REX has continued to challenge.

Recently, the Biden Administration has put anti-competitive real estate policies, such as the NAR's segregation rule in its crosshairs. ☸

Other Lawsuits Against NAR

In separate federal class action lawsuits, *Moehrl v. NAR* and *Sitzer v. NAR*, plaintiffs attacked NAR's Buyer Broker Commission Rules as an antitrust conspiracy which has inflated home commissions above competitive levels. In both cases, the courts found that the Buyer Broker Commission Rules prevent effective negotiation over commission rates and cause artificial inflation of buyer broker commission rates in the markets.

As Judge Andrea Wood of the Northern District of Illinois explained in *Moehrl*, the Buyer Broker Commission Rule causes commission rates to be fixed "without regard" to the buyer-agent's "experience or value of service." Memorandum Opinion and Order, *Moehrl v. NAR*, Case No. 1:19-cv-01610, 2020 WL 5878016, at *2 (N.D. Ill. Oct. 2, 2020).

In *Sitzer*, Judge Stephen Bough of the Western District of Missouri referenced the anticompetitive incentive for buyer brokers to steer clients towards homes whose sale necessarily results in higher fixed commissions. The incentive, he found, is necessarily a function of NAR's anticompetitive rules and elaborated on how NAR rules encourage brokers to disregard their fiduciary duties to their clients: "buyer-brokers can use their access to MLS information (unavailable to potential home buyers) to view details about the offered levels of buyer-broker compensation and dissuade clients from viewing or purchasing homes with lower buyer-broker commission offers, thus 'steering' them to properties with higher-paying commissions." *Sitzer v. NAR*, 420 F. Supp. 3d 903, 915 n.4 (W.D. Mo. 2019).

Academic research supports Judge Wood's and Bough's concern that NAR's anticompetitive rules put significant upward pressure on commissions. In 2017, Cornell University professor Panle Jia Barwick, MIT professor Parag Pathak, and University of Pennsylvania professor Maisy Wong published the results of their study of 650,000 MLS transactions over a thirteen-year period.^[1] Their research demonstrates that properties which offer brokers less than 2.5 percent—the average rate in the Boston-area MLS they examined—had worse sales outcomes in terms of more days on market and lower probability of sale. Professors Barwick and Wong consider alternative explanations, yet still conclude that broker "steering" to higher commission properties is a significant factor that limits competition.^[2]

Recent Biden Administration-NAR legal and policy actions:

- On July 1, the Department of Justice (DOJ) nixed a proposed settlement with NAR. The unprecedented action sided with REX's position in a February comment letter which called on the DOJ to back out of the settlement and take further action including a broader investigation into the association and its member companies' anticompetitive practices.
- On July 9, President Biden's executive order directed the FTC to address real estate competition. This painted a bull's eye on the broken broker practices that REX's, lower cost technology-based practice is replacing.
- On August 10, U.S. Department of Justice files brief in the REX/Zillow-NAR Segregation Rule case "to prevent the drawing of unwarranted inferences from a now-expired 2008 consent decree" and to stop the National Association of Realtors from using "*the 2008 consent decree to shield conduct*". A copy of the DOJ brief in the REX case can be found [here](#).

^[1] Panle Jia Barwick, Parag A. Pathak, & Maisy Wong, *Conflicts of Interest and Steering in Residential Brokerage*, 9 Am. Econ. J.: Applied Econ. 191 (2017).

^[2] Panle Jia Barwick & Maisy Wong, *Competition in the Real Estate Brokerage Industry: A Critical Review*, Brookings Institute (Dec. 2019), at 10–13, *available at* <https://www.brookings.edu/wp-content/uploads/2019/12/ES-12.12.19-Barwick-Wong.pdf>.

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